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THE Wheat SITUATION

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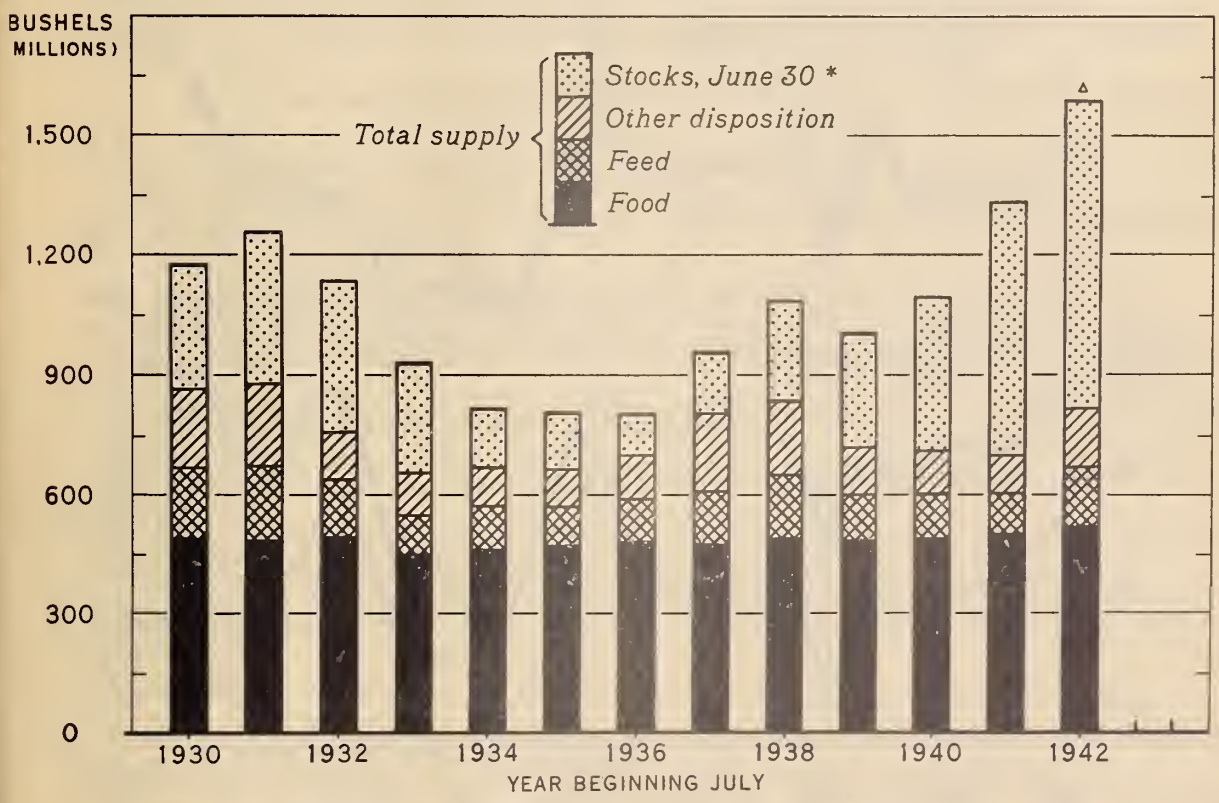
UNITED STATES DEPARTMENT OF AGRICULTURE

WS-69 BAE AUGUST 1942

WHEAT: DISTRIBUTION OF U. S. SUPPLY, 1930-42



* 1930-37 INCLUDES SOME NEW WHEAT △ PRELIMINARY ESTIMATES

. S. DEPARTMENT OF AGRICULTURE NEG. 42548 BUREAU OF AGRICULTURAL ECONOMICS

LARGE CROPS IN 1940 AND 1941 AND REDUCED OPPORTUNITIES TO EXPORT INCREASED THE CARRY-OVER FROM 282 MILLION BUSHELS AT THE END OF THE 1939-40 YEAR TO A RECORD OF 633 MILLION BUSHELS AT THE END OF THE 1941-42 YEAR. IN 1942-43 CONSIDERABLY MORE WHEAT PROBABLY WILL BE USED FOR LIVESTOCK FEED THAN IN RECENT YEARS AND THERE WILL BE SOME INCREASE IN CONSUMPTION FOR FOOD AND OTHER PURPOSES. HOWEVER, INCREASED USE IS NOT LIKELY TO BE SUFFICIENT TO OFFSET THE SIZE OF THE VERY LARGE CROP, SO THAT THE CARRY-OVER AT THE END OF THE 1942-43 YEAR WILL BE EVEN LARGER THAN THIS YEAR.

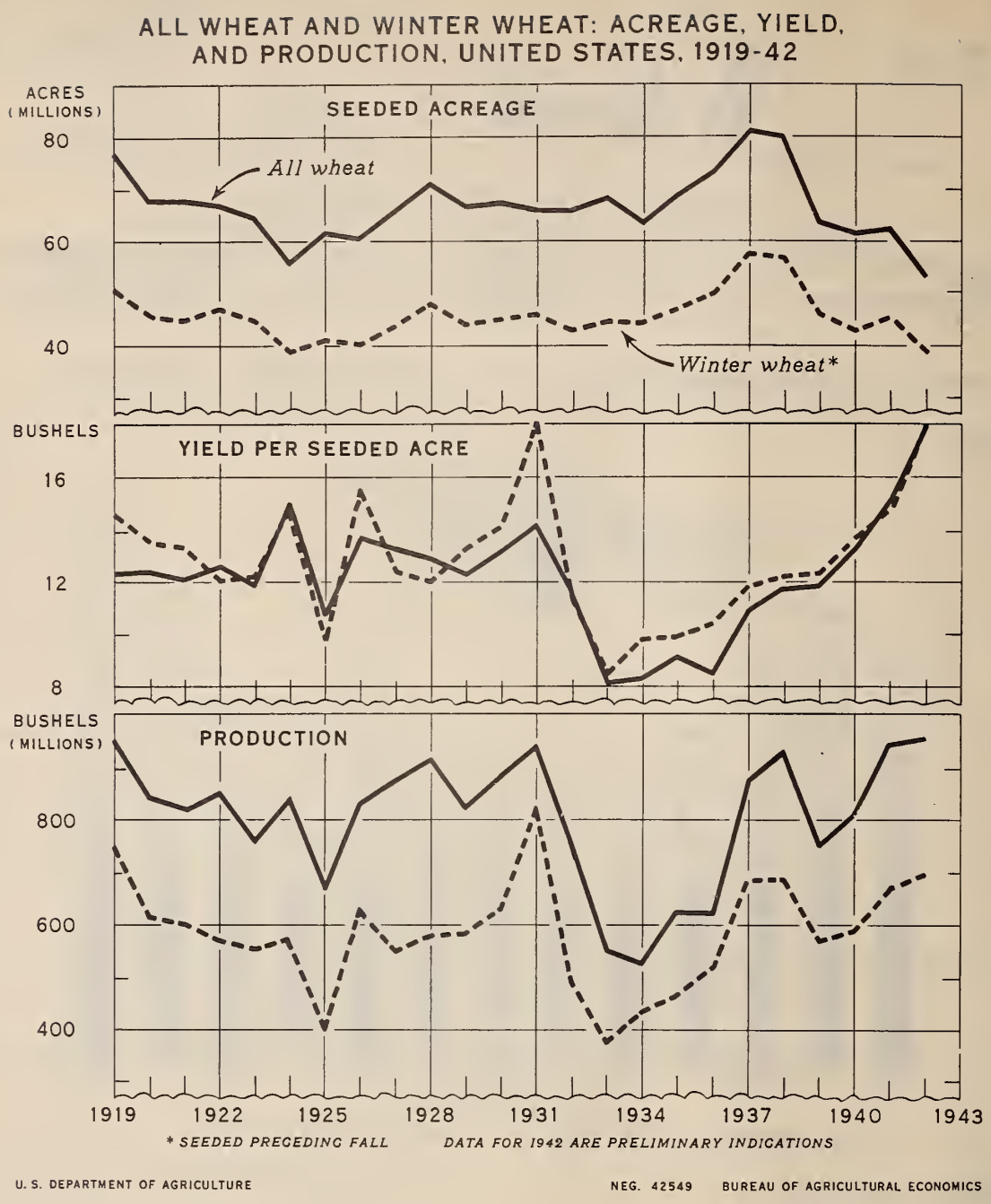


FIGURE 1.-- THE INDICATED PRODUCTION OF ALL WHEAT FOR 1942 IS THE SECOND LARGEST ON RECORD. FAVORABLE GROWING CONDITIONS RESULTED IN RECORD YIELDS PER ACRE, WHICH MORE THAN OFFSET A SUBSTANTIAL REDUCTION IN ACREAGE. COMPARED WITH LAST YEAR, THE YIELD IS UP 18 PERCENT WHILE THE ACREAGE IS DOWN 14 PERCENT. COMPARED WITH AVERAGE, THE YIELD IS UP 50 PERCENT WHILE THE ACREAGE IS DOWN 33 PERCENT. BECAUSE OF THE RELATIVE IMPORTANCE OF WINTER WHEAT IN THE TOTAL CROP, PRODUCTION CHANGES IN WINTER WHEAT AND ALL WHEAT ARE GENERALLY VERY SIMILAR.

THE WHEAT SITUATION
Including rye

Summary

The 1943 national acreage allotment for wheat under the Agricultural Adjustment Act is 55 million acres. With marketing quotas again in effect, actual fall seedings in 1943 probably will not differ materially from the allotted acreage. Acreage seeded to wheat for the 1942 crop was 53.4 million acres with an allotment of 55 million acres, but some intended acreage was not planted because of unfavorable conditions at seeding time.

If total wheat seedings for the 1943 crop turn out to be about 55 million acres and average yields are obtained, production would total about 650 million bushels. This would be about 25 million bushels below the average domestic disappearance and almost 100 million bushels below the disappearance estimated for 1942-43, so that the carry-over at the end of the 1943-44 year would be reduced from the stocks at the beginning. Of course, high yields as in 1942 on the allotted acreage could repeat the large production of this year. Another crop like this season's would increase year-end stocks and make storage and transportation problems even more serious than this year.

A wheat crop of 955 million bushels was indicated by the official report as of August. This was an increase of 51 million bushels from that indicated a month earlier. The mid-August report indicated a further increase of 16 million bushels in four spring wheat States. Assuming no change in the States for which there was no mid-August report, a total wheat crop of 971 million bushels would be indicated. A crop of this size and a carry-over estimated at 633 million bushels makes total supplies of about 1,600 million bushels. This is the largest supply in the history of our country and

compares with 1,331 million bushels last year - the previous record. The supply last year consisted of a crop of 946 million bushels and a carry-over of 385 million bushels. Supplies in 1942-43 of all classes are large with the exception of soft red winter wheat. July inspections indicate that the quality of hard winter wheat is better than last year but that of soft red winter is not as good.

Wheat prices are generally slightly higher than a month ago, but still substantially below loan values and growers are restricting their marketings. Depending upon approved storage space available, it is estimated that over 400 million bushels of this year's crop may go under loan. With this limitation on the "free" wheat available to the market, and the price-support to growers for the new crop at a national average loan rate 16 cents above that of 1941-42, prices for the present crop may average considerably higher than in 1940-41. Cash farm income from wheat in the 1942 calendar year will be sharply larger than in 1941 when it amounted to 702 million dollars. Income in 1941 was the largest since 1929.

Wheat stocks in the four major exporting countries on July 1, 1942 totaled about 1,484 million bushels - the largest on record and about 300 million bushels above the previous record reached a year earlier. Present prospects are for a 1942 world crop, excluding the U.S.S.R. and China, somewhat above the 3,960 million bushels estimated for 1941. Considering the crop outlook and the large old-crop stocks, record supplies are indicated for 1942-43.

-- August 28, 1942

THE DOMESTIC WHEAT SUPPLY SITUATION IN 1942-43

BACKGROUND.- In the 10-year period 1932-41, the carry-over of old wheat in the United States averaged about 235 million bushels, production 680 million bushels, and domestic disappearance about 680 million bushels.

Crop Yields in 1942 Very Large; Larger Crop Produced on Greatly Reduced Acreage

A total wheat crop of 955 million bushels was indicated by the official report as of August 1. This is an increase of 51 million bushels from that indicated a month earlier, with 23 million bushels of the increase accounted for by the increase in winter wheat and 28 million bushels in spring wheat. The mid-August report indicated a further increase of 16 million bushels in the four States of Minnesota, North Dakota, South Dakota, and Montana. Assuming no change in the States for which there was no mid-August report, a total wheat crop of 971 million bushels would be indicated. A crop of this size would be the second largest on record, the only larger one being the billion-bushel crop in 1915. It would be 3 percent above last year's crop of 946 million bushels and 30 percent above the 10-year (1930-39) average of 748 million bushels. Yields per acre in 1941 were more than large enough to offset a 14 percent reduction in acreage from 62.4 million acres in 1941 to 53.4 million acres in 1942. On the basis of the August 1 report indicated yields per seeded acre were 17.9 bushels compared with 15.2 bushels in 1941 and 11.9 bushels, the 20-year (1922-41) average.

Indicated winter wheat production of 698 million bushels is 4.0 percent larger than last year's 671 million bushels and 22.5 percent above average (table 2). The indicated national winter wheat yield of 19.2 bushels per acre is a record, comparing with 17.0 bushels last year, which then was the highest on record, and with the average of 14.4 bushels. Better yields than expected were realized at harvest in many of the important winter wheat States, particularly in the Plains States. In that area the frequent rains during the growing season were very favorable for the crop. In sharp contrast, yields were lower in the eastern Corn Belt States. From Ohio through Indiana and Illinois, rains continued through harvest, adding field losses to earlier damage, and lowering yields 1.5 to 2.5 bushels from July 1. There were heavy losses in Montana from hail and storms that flattened the grain.

Indicated production of all spring wheat according to the August 1 report was 257 million bushels, an increase of 29 million bushels during July (table 3). The acreage is 2 million acres smaller than last year, and 2-1/2 million acres below average. Yields, however, exceed average in all important States. Rains earlier in the season promoted abundant growth and heavy filling of the heads. Durum wheat production, indicated at 38 million bushels, in the August 1 report was 8 percent less than the 42 million bushels produced last year, but about 40 percent above average. The abundant supply of moisture through the growing season, and nearly complete absence of adverse factors, are evident in the indicated yield of 17.8 bushels per acre, exceeding by 1.4 bushels the previous record of last year. Other spring wheat production was indicated at 219 million bushels compared with 233 million bushels last year and the 150 million bushel average. The indicated 18.2 bushel yield was 1.3 bushels higher than the 1941 record yield of 16.9 bushels. Unprecedented yields are in prospect in North Dakota.

The mid-August report raised the production estimate of all spring wheat 16 million bushels in four States, and the above yields would be even higher if computed on the higher indicated production.

Carry-Over at 633 Million Bushels is About 250 Million Bushels Above Previous Record

The old crop carry-over on July 1, estimated at 633 million bushels (table 5), is the largest on record, 248 million bushels above the previous record a year earlier and about 400 million bushels above the 10-year (1932-41) average of about 235 million bushels. It is made up of 224 million bushels of commercial stocks in cities, 160 million bushels on farms, 142 million bushels in interior mills and elevators, 97 million bushels in merchant mills and elevators and 10 million bushels in Commodity Credit steel bins. Of the 633 million bushels approximately 400 million bushels were held by the Commodity Credit Corporation or still under loan and 11 million bushels held in the Federal insurance reserve.

Total Supplies of About 1,600 Million Bushels an All-time Record

With an indicated crop of about 971 million bushels and a carry-over of 633 million bushels, total supplies for the year beginning July 1, 1942 approximate 1,600 million bushels (table 5). This is the largest supply in the history of our country and compares with 1,331 million bushels last year - the previous record. The supply last year consisted of a crop of 946 million bushels and a carry-over of 385 million bushels.

Supplies of Red Winter Wheat Small: Supplies of Other Classes Large

Estimated July 1 carry-over of old wheat, current crop indication, prospective utilization, and quantities available for carry-over and export in 1942-43 by classes of wheat are shown in table 4. It seems probable at this time that the total disappearance will approximate 750 million bushels, which includes substantial increases in quantities for feeding and for alcohol, and some increase in the quantity for food consumption. There are large supplies of all classes with the exception of soft red winter. Im Indiana, Missouri, and Illinois, yields per acre of soft red winter were below average and supplies are less than the usual requirements for the milling of flour used in crackers, biscuits, and pastry. The total supply of this class of wheat for all States, however, is not especially short, comparing favorably with supplies in many other years. Sales of soft red winter are being made from Commodity Credit stocks, and it may be possible to substitute considerable quantities of other wheats for feeding purposes, thereby releasing quantities of red wheat for milling. About 20 million bushels of wheat are usually used for feed in these States. In recent years production has been increasing for semi-hard wheats which grade soft and which are included in the soft red wheat supply. This increase, which does not substitute for soft wheat in milling, is partly responsible for the decline in the quantity of soft red wheat available.

The quality of hard red winter wheat this year, based on inspected receipts at representative markets in July, is considerably above a year earlier, 85 percent grading 1 and 2 this year compared with 59 percent in these grades in July 1941 (table 6). On the other hand, the quality of soft red winter wheat is below last July, with 53 percent falling in grades 1 and 2 compared with 65 percent in July 1941. Protein in hard winter wheat is averaging a little lower than a year ago.

THE DOMESTIC WHEAT SUPPLY OUTLOOK FOR 1943-44

BACKGROUND.- The acreage seeded to wheat for the 1942 crop was 53.4 million acres and the allotment 55 million acres. Some intended acreage was not seeded, however, because of wet conditions at seeding time in the fall of 1941. The acreage seeded for the 1941 crop was 62.4 million acres, which was also the average for the 1939-41 crops. This represents a very large reduction from seedings for the 1937 and 1938 crops, when 81.1 and 79.6 million acres, respectively, were seeded - the largest in the history of the country (table 1). There was no national acreage allotment in 1937 and that for 1938 was announced too late to be effective. In 1939 the allotment was 55 million acres, and in 1940 and 1941 it was 62 million acres.

The acreage allotted for seeding the 1943 crop under the Agricultural Adjustment Act is 55 million acres. 1/ If the total wheat seedings for the 1943 crop turn out to be about 55 million acres and the 20-year (1922-41) average yield per seeded acre of 11.9 bushels 2/ is obtained, production would total about 654 million bushels. This would be about 25 million bushels below the 10-year (1932-41) average domestic disappearance and about 100 million bushels below the disappearance estimated for 1942-43, and would result in a reduction in the carry-over at the end of the 1943-44 year compared with stocks at the beginning.

The crop in 1942 estimated as of August 1 at 955 million bushels is an example of very large production on a seeded acreage of 53.4 million acres seeded. Another crop of this size, would result in an increase in year-end stocks and make storage and transportation problems even more serious than this year. Annual average yields per seeded acre in the United States usually vary between 10 and 14 bushels (table 1). A 10-bushel yield on 55 million acres would result in a crop which would be smaller than domestic needs and would substantially reduce the large wheat surplus, while a yield of 14 bushels on 55 million acres would result in a crop only slightly larger than the estimated disappearance for 1942-43. Even with small yields in 1943 supplies would still be large.

The only insect now seriously threatening the coming winter wheat crop is the hessian fly 3/. It is unusually abundant in an area extending from eastern Pennsylvania westward through Ohio, Indiana, Illinois, and Missouri into eastern Kansas. Ample moisture, such as has been prevalent in the North Central States, is favorable to fly development and serious injury to the coming crop may result if sowing during the fly-free period is not generally practiced. Dates for sowing may be obtained from State entomologists or local agricultural agents.

1/ See background statement above for comparisons of seedings with past allotments.

2/ With average growing conditions, the reduced acreage and increased summer fallow may result in yields averaging above the 20-year average.

3/ Statement furnished by Bureau of Entomology and Plant Quarrantine, Division of Cereal and Forage Insect Investigations.

THE WORLD WHEAT SUPPLY SITUATION

BACKGROUND.- World wheat acreage increased steadily over a period of years until in 1938 it reached 292 million acres. During the past 3 years acreage has been less, but at the 270 million acres estimated for 1941, it was still at high levels compared with acreage in the 1920's 4/. World production for a number of years did not increase with the upward trend in acreage, because of small yields per acre. In 1938 and 1939 yields were very high and the largest world crops in history were produced. In both of these years, as well as in 1940 and 1941, production exceeded consumption. World carry-over stocks on July 1, 1942 were the largest in history.

Record World Wheat Carry-over on July 1, 1942, Although Crop Below Average

Wheat stocks in the four major exporting countries - the United States, Canada, Argentina, and Australia - on July 1, 1942 totaled about 1,484 million bushels. This is the largest on record and about 300 million bushels above the previous record a year earlier (table 7). Dependable figures are not now available for most other countries, but stocks in other countries previously included in the world carry-over, excluding the U. S. S. R. and China, probably were between 150 and 175 million bushels, making a total of about 1,600 million bushels. This total compares with 1,222 million bushels in July 1939 prior to the outbreak of hostilities, and 946 million bushels, the 1930-39 average. Considering the crop outlook and those large old-crop stocks, the largest total supplies on record are indicated for 1942-43.

Large stocks in the four exporting countries and small stocks in other countries imply congestion of storage in exporting countries and other problems of large surpluses and at the same time imply a serious bread situation in continental Europe. Imports into the United Kingdom probably are near average, but those into the European Continent are far below average and insufficient to cover current needs. Oriental imports, which had previously been reduced, were virtually eliminated by the outbreak of the war in the Pacific.

Present prospects are that the 1942 world crop, excluding the U.S.S.R. and China, may be somewhat above the 3,960 million bushels estimated for 1941. The greatest change this year is in the Canadian crop. Conditions to date indicate record per-acre yields, and unless there are unfavorable developments, such as excessive moisture or early frosts 5/, a crop of about 550 million bushels may be produced. This would be about 250 million bushels more than last year. The crop indicated for the United States is 9 million bushels above last year. Production in Europe is expected to be less than the

4/ Table on world acreage, yield and production, 1923-41 in "The Wheat Situation" for March 1942, page 19.
5/ Light frosts were reported in Dominion telegraphic report of August 25.

below-average outturn in 1941. In Australia and Argentina, expected acreage reductions, conditions to date, and assumed average conditions for the rest of the season, indicate a reduction of about 50 million bushels for these countries compared with last year.

With the present large world stocks and the new crop, stocks at the end of the current marketing year will be so large that even if it were possible to resume world shipping and increase consumption from present low levels, such reduction as might take place would still leave an unusually large supply in 1943-44.

THE WHEAT PRICE SITUATION AND OUTLOOK

BACKGROUND.- The loan program has been an important price factor since it came into operation in 1938. Influenced by new legislation affecting loan rates, prices rose beginning in March 1941 and prices to growers for the 1940-41 year averaged 68 cents. Prices for the year beginning July 1941 averaged considerably higher as a result of the higher loan rates in effect and our participation in the war. The computed seasonal average is scheduled for release August 28.

The average national loan rate to farmers for 1942 wheat is 1.14 cents per bushel. In 1938-39 the loan averaged 53 cents, in 1939-40, 64 cents, in 1940-41, 65-1/2 cents, and in 1941-42, 98 cents. At important terminal markets the loan values for 1942 are as follows (1941-42 values in parentheses): No. 2 Hard Winter at Kansas City $1.27 ($1.10) and at Chicago $1.32 ($1.15), No. 2 Red Winter at St. Louis and at Chicago $1.32 ($1.15), No. 1 Dark Northern Spring at Minneapolis $1.32 ($1.15), and No. 1 Soft White at Portland $1.21 ($1.05).

Cash wheat prices on August 26, compared with a month earlier were 7 cents higher at Kansas City and St. Louis and 5 cents higher at Portland. At these markets the heavy seasonal movement has now passed. At Minneapolis the new crop is now moving and prices are down 2 cents compared with a month earlier. On August 26 the cash markets were below loan values as follows: St. Louis 4-1/2 cents, Portland 14 cents, Kansas City 16 cents, and Minneapolis 24 cents. With these differentials, growers are restricting their marketings and up to August 15 had placed about 64 million bushels under loan. This compares with 67 million bushels 2 years ago, when the season was early, and only 13 million bushels last year when the season was later than in 1942. Depending upon storage space, it is estimated that over 400 million bushels of this year's 970-million bushel crop may go under loan, which as in previous years may cause prices to rise.

With supplies of wheat in other exporting countries (table 10) likely to be very much larger than average, wheat prices in those countries are expected to remain at relatively low levels. Wheat prices in the United States will continue well above prices at which our wheat could compete with grain from these other countries, however, so long as the Government loan program continues. With limits on the "free" wheat available to the market, and with price-support to growers for the new crop at a national average loan rate 16 cents above that of 1941-42, prices for the present crop may average

considerably higher than in 1940-41. Cash farm income from wheat in the 1942 calendar year will be sharply larger than in 1941 when it amounted to 702 million dollars. Income in 1941 was the largest since 1929.

Continuation of the loan program in 1942-43 was made possible by a favorable vote in the national marketing quota referendum. This vote assured AAA participants of a loan rate at 85 percent of parity. It assured noncooperators (on wheat produced above their quotas) of loans at 60 percent of the rate for cooperators. The loan privilege amounts to a guaranty of $1.14 on the farm to AAA participants, in addition to wheat parity and conservation payments. The Department has announced that a wheat marketing quota is in effect for the 1943 crop of wheat, and that another quota referendum of the producers will be held in the spring of 1943.

The Canadian Wheat Board has announced the fixed minimum prices for carlots of wheat from the 1942 crop, basis in store Fort William or Vancouver, as follows:

	Cents per bushel (Canadian currency)
No. 1 Hard	90
No. 1 Northern (statutory price)	90
No. 2 Northern	87
No. 3 Northern	83-1/2
No. 1 C. W. Amber Durum	90
No. 2 C. W. Amber Durum	87
No. 3 C. W. Amber Durum	83-1/2
No. 1 Alberta Red Winter	87
No. 2 Alberta Winter	86
No. 3 Alberta Winter	84

THE NATIONAL PROGRAM FOR FEEDING WHEAT

A national feed wheat program was announced by the Department of Agriculture August 6. The action followed the recent Congressional provision for the sale of 125 million bushels of Government-owned wheat at prices not less than 85 percent of the parity price of corn. Government wheat for October delivery is available at prices ranging from 75 cents to $1.00, depending on location. The sale price of wheat under the new program is much lower in the Corn Belt than under the old program, and is not greatly different in the North Atlantic States and in the Northwest. The new program will be especially helpful to livestock producers in areas where feed supplies are relatively short since wheat will be made available in practically all sections of the country.

With livestock numbers increasing rapidly, the quantity of wheat fed in 1942-43 is expected to be larger than during any of the past few years, and it may approximate 150 million bushels, a considerable part of which probably will be wheat sold by the Government or loan wheat released for feed.

Prices and information on the Government wheat food program are available at county and State offices of the Agricultural Adjustment Agency, and at the offices of the Commodity Credit Corporation in Chicago, Kansas City, Minneapolis, and Portland.

Table 1.- All wheat: United States acreage seeded, yield per acre, and production, 1919-42

(Data for figure 1)

Year	Seeded acreage	Yield per seeded acre	Production
	1,000 acres	Bushels	1,000 bushels
1919	77,440	12.3	952,097
1920	67,977	12.4	843,277
1921	67,681	12.1	818,964
1922	67,163	12.6	846,649
1923	64,590	11.8	759,482
1924	55,706	15.1	841,617
1925	61,738	10.8	668,700
1926	60,712	13.7	832,213
1927	65,661	13.3	875,059
1928	71,152	12.9	914,373
1929	66,840	12.3	823,217
1930	67,150	13.2	886,470
1931	65,998	14.2	941,674
1932	65,913	11.5	756,927
1933	68,485	8.1	551,683
1934	63,562	8.3	526,393
1935	69,207	9.1	626,344
1936	73,724	8.5	626,766
1937	81,072	10.8	875,676
1938	79,565	11.7	931,702
1939	63,516	11.8	751,435
1940	61,464	13.2	812,374
1941	62,404	15.2	945,937
1942 1/	53,427	17.9	955,172

1/ August 1 indication. Mid-August indication was 15.6 million bushels, higher in the four States of Minnesota, North Dakota, South Dakota and Montana.

Table 2.- Winter wheat: Acreage seeded, yield per acre, and production, United States, 1919-42

(Data for figure 2)

Year of harvest	Seeded acreage	Yield per seeded acre	Production
	1,000 acres	Bushels	1,000 bushels
1919	51,391	14.6	748,460
1920	45,505	13.5	613,227
1921	45,479	13.3	602,793
1922	47,415	12.1	571,459
1923	45,408	12.2	555,299
1924	38,638	14.8	573,563
1925	40,922	9.8	400,619
1926	40,604	15.6	631,607
1927	44,134	12.4	548,188
1928	48,431	12.0	579,066
1929	43,967	13.3	586,239
1930	45,032	14.1	633,605
1931	45,647	18.1	825,396
1932	43,371	11.3	491,795
1933	44,445	8.5	376,518
1934	44,585	9.8	437,963
1935	47,064	9.9	465,319
1936	49,765	10.4	519,874
1937	57,656	11.9	685,824
1938	56,539	12.2	688,133
1939	46,464	12.3	569,741
1940	43,216	13.6	588,802
1941	45,663	14.7	671,293
1942 1/	38,747	18.0	697,708

1/ Preliminary.

Table 3.- All Spring Wheat: Acreage seeded, yield per acre, and production, United States, 1919-42

Year of harvest	Acreage seeded	Yield per seeded acre	Production
	1,000 acres	Bushels	1,000 bushels
1919	26,049	7.8	203,637
1920	22,472	10.2	230,050
1921	22,202	9.7	216,171
1922	19,748	13.9	275,190
1923	19,102	10.7	204,183
1924	17,068	15.7	268,054
1925	20,816	13.0	268,081
1926	20,108	10.0	200,606
1927	21,527	15.2	326,871
1928	22,721	14.8	335,307
1929	22,873	10.4	236,978
1930	22,118	11.4	252,865
1931	20,351	5.7	116,278
1932	22,542	11.8	265,132
1933	24,040	7.3	175,165
1934	18,977	4.7	88,430
1935	22,143	7.3	161,025
1936	23,959	4.5	106,892
1937	23,416	8.1	189,852
1938	23,026	10.6	243,569
1939	17,052	10.7	181,694
1940	18,248	12.3	223,572
1941	16,741	16.4	274,644
1942 1/	14,680	17.5	257,464

1/ August 1 indication. Mid-August indication was 15.6 million bushels higher in the four States of Minnesota, North Dakota, South Dakota, and Montana.

Table 4.- Estimated supply and distribution of wheat, by classes, continental United States, 1939-42 1/

Item	Year beginning July 1939	1940	1941	1942
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
All wheat				
Stocks, July 1	252	282	385	633
Production	751	812	946	955
Supply	1,003	1,094	1,331	1,588
Domestic disappearance	673	675	671	750
Available for export and carry-over	330	419	660	838
Hard red winter				
Stocks, July 1	114	135	161	294
Production	309	328	394	472
Supply	423	463	555	766
Domestic disappearance	266	296	245	300
Available for export and carry-over	157	167	310	466
Soft red winter				
Stocks, July 1	29	25	41	57
Production	206	207	212	165
Supply	235	232	253	222
Domestic disappearance	207	188	194	194
Available for export and carry-over	28	44	59	28
Hard red spring				
Stocks, July 1	72	83	136	205
Production	121	157	206	200
Supply	193	240	342	405
Domestic disappearance	105	103	135	148
Available for export and carry-over	88	137	207	257
Durum				
Stocks, July 1	17	18	25	35
Production	35	34	43	39
Supply	52	52	68	74
Domestic disappearance	34	27	33	38
Available for export and carry-over	18	25	35	36
White				
Stocks, July 1	20	21	22	42
Production	80	86	91	79
Supply	100	107	113	121
Domestic disappearance	61	61	64	70
Available for export and carry-over	39	46	49	51

1/ Averages 1929-33 and 1937-39, and annual 1929-36 in The Wheat Situation August 1940, page 26.

Table 5.- Wheat: Distribution of United States supply, 1930-42

(Data for cover page)

Year beginning July	Food	Feed	Other disposition	Stocks June 30	Total disposition
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1930	488	178	197	313	1,176
1931	485	188	207	375	1,255
1932	494	142	118	378	1,132
1933	450	99	107	274	930
1934	463	111	95	147	816
1935	472	100	94	142	808
1936	480	112	109	102	803
1937	476	133	197	153	959
1938	487	161	185	252	1,085
1939	486	116	120	282	1,003
1940	490	110	112	385	1,097
1941	502	103	96	633	1,334
1942	518	150	148	774	1,590

Table 6.- Percentage of hard red, and soft red winter wheat in specified grades, 1941-42
(Based on inspected receipts at representative markets, July 1 to July 31)

Item	Hard Red Winter wheat			Soft Red Winter wheat		
	Sub-class	1941	1942	Sub-class	1941	1942
		Percent	Percent		Percent	Percent
	Dk. Hd.	38	45			
	Hard	62	55			
	Yellow Hd.	0	0	Red		
Grade						
1		16	48		27	6
2		43	37		38	47
3		24	12		18	29
4		13	2		5	10
5		3	0		1	2
Sample		1	1		11	6
Special grades						
Tough		1	0		24	35
Light Smutty		0	0		3	1
Smutty		0	0		1	1
Light Garlicky					2	2
Garlicky					24	26

Table 7.- Estimated wheat stocks in four major exporting countries, as of about July 1, 1933-41, and indication for 1942 1/

Year	United States grain 2/	Canadian grain 3/	Argentina	Australia	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1933	382	237	98	70	787
1934	274	221	144	102	741
1935	147	225	106	70	548
1936	142	155	73	54	424
1937	83	52	60	53	248
1938	153	36	98	63	350
1939	253	119	263	65	700
1940	282	312	115	136	845
1941 4/	385	514	211	75	1,185
1942 4/	633	451	250	150	1,484

United States - Stocks on farms, in country mills and elevators, commercial owned and stored for others in merchant mills and elevators.
Canada - 1922-23, carry-over August 31, plus net exports and estimated retention of flour during July and August; beginning 1924, carry-over July 31, plus net exports and estimated retention of flour for July.
Argentina - Carry-over on December 31, plus exports and estimated domestic consumption, July 1 to December 31.
Australia - 1922-24, exports only plus estimated domestic consumption; beginning 1925, July 1 to December 31, carry-over on December 1, plus net exports and estimated domestic consumption July 1 to November 30.
1/ 1922-32 in "The Wheat Situation" for May 1942, page 14. 2/ Includes United States wheat in Canada. Includes small quantities of new wheat prior to 1937.
3/ Includes Canadian wheat in the United States. 4/ Preliminary.

Table 8.- Weighted average cash price of wheat, specified markets and dates, 1941-42

Month and date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Soft White Portland 1/	
	1941	1942	1941	1942	1941	1942	1941	1942	1941	1942	1941	1942
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month												
June	98.0	111.0	97.3	110.9	101.0	114.1	101.1	115.9	101.6	119.2	88.5	91.8
July	98.7	109.7	98.3	107.9	100.4	113.7	99.3	116.2	103.1	122.0	86.5	99.0
Week ended -												
July 4	99.6	110.0	98.3	108.5	102.2	115.2	101.5	114.2	102.4	116.0	98.2	93.7
11	100.6	109.5	99.2	107.6	103.7	117.5	101.9	116.8	104.4	119.1	88.1	97.3
18	97.2	109.1	96.8	106.7	98.8	115.0	99.2	118.6	102.9	---	84.3	99.2
25	96.9	109.7	98.4	107.3	98.2	112.7	96.5	115.6	102.8	126.5	85.2	100.7
Aug. 1	99.7	110.2	100.9	110.5	101.0	111.5	98.5	113.8	104.7	126.0	87.7	101.9
8	105.2	109.2	106.4	109.6	107.2	112.3	103.4	111.9	108.8	121.0	95.0	103.8
15	104.8	110.9	106.6	111.6	106.1	112.6	104.6	113.9	109.0	126.8	93.9	106.3
22	105.2	112.4	107.7	113.0	105.8	113.4	109.4	114.0	108.4	126.6	94.6	107.2

1/ Weekly average of daily cash quotations, basis No. 1 sacked.

Table 9.- Average closing price of September wheat futures, specified markets and dates, 1941-42

Period	Winnipeg 1/		Buenos Aires	Chicago		Kansas City		Minneapolis	
	1941	1942	1941	1941	1942	1941	1942	1941	1942
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -									
June	-	-	-	102.7	120.7	94.8	112.7	99.0	113.5
July	69.9	81.8	-	105.6	120.0	98.2	112.2	100.3	112.9
Week ended -									
July 4	67.9	81.8	56.9	105.1	120.1	97.3	111.6	99.7	113.2
11	70.9	81.8	56.3	106.9	121.8	99.4	113.2	101.7	114.9
18	70.7	81.8	55.4	104.4	120.4	97.2	112.2	99.0	113.2
25	70.3	81.8	55.0	105.4	119.3	98.4	112.2	100.1	111.9
Aug. 1	68.0	81.8	55.0	106.8	117.6	99.6	110.7	101.3	110.3
8	68.4	81.8	55.1	112.0	117.3	105.6	110.5	107.3	109.6
15	68.7	81.8	55.1	111.3	117.8	105.4	111.3	107.0	110.0
22	67.9	81.8	54.8	112.1	118.3	106.1	112.2	107.3	110.5

1/ Conversions at official rate, which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate. October futures.

Table 10. - Wheat prices per bushel in four exporting countries, Friday nearest midmonth, Jan.-July, and weekly, August 1942

Date (Friday mid-month)	Hard wheat			Hard and semi-hard wheat		Soft wheat	
	U. S.	Canada		U. S.	Argentina	U. S.	Australia
	No. 1 D.N.Sp.15 pct. protein Buffalo c.i.f.	No. 2 Man. Buffalo c.i.f. duty paid	No. 1 Man. Montreal f.o.b. 1/	No. 1 D.H.W. Galveston f.o.b. 2/	Rosafe f.o.b. 3/	No. 1 Portland f.o.b.	F.o.b. 4/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Monthly							
Jan. 16	141.1	119	---	137.9	57.1	101.5	69.4
Feb. 13	138.6	119	84.8	135.8	57.1	101.5	69.4
Mar. 13	138.6	118.2	83.9	135.1	55.8	102.5	69.4
Apr. 17	128.5	119	84.5	127.4	57.1	96.5	71.9
May 15	130.2	119	85.4	129.0	62.7	98.0	70.6
June 12	125.5	117.9	86.1	123.9	62.4	91.0	70.6
July 17	123.5	118.2	93.3	116.2	64.3	100.0	70.6
Aug. 7	124	126.7	93.3	123.6	65.6	104.0	70.6
14	124.1	126.7	93.3	125.1	65.6	106.0	70.6
21	125.0	126.7	93.3	126.0	65.6	108.0	70.6

Current average farm prices are less than quotation about as follows: 1/ Canada 28 cents, 2/ United States 30 cents, 3/ Argentina 13 cents, and 4/ Australia 10 cents.

THE RYE SITUATION

Largest Rye Crop Since 1922

Rye prospects on August 1 were for a crop of 59.7 million bushels, which exceeds the 1941 production by 14 million bushels and the average production by 21 million bushels, and is the largest crop since 1922. Higher yield prospects and the general increase in acreage for harvest as grain both contribute to the increased production.

Yield per acre at 15.4 bushels compares with 12.9 bushels in 1941 and the 10-year average of 11.2 bushels. Yields are greater than the 10-year average in all but one State - Illinois; and in the Dakotas are nearly double the 10-year average. The quality of the grain is excellent except for considerable ergot in North Dakota and Minnesota.

The 11-percent increase in acreage of rye for harvest in 1942 over 1941 is the result of a relatively small winter injury and the excellent pasture conditions in the spring which required a smaller acreage of rye for pasture.

Record Rye Carry-over Expected

United States stocks of rye at the beginning of the 1942-43 marketing year are estimated at about 30.8 million bushels. A year ago the carry-over was 22-1/2 million bushels and the 5-year (1936-40) average 16-1/2 million bushels. With a crop indicated at 59.7 million bushels the total supply of rye for the 1942-43 marketing year, without allowing for imports, would amount to about 90-1/2 million bushels. This would be the largest rye supply since 1922, when a crop of 101 million bushels was harvested. Total supplies in 1941-42 were about 76 million bushels and the 5-year (1936-40) average 59-1/2 million bushels. Apparent domestic disappearance of rye in 1941-42 was 45-1/2 million bushels, and the 5-year (1936-40) average 41-1/2 million bushels. In 1941-42 the domestic disappearance was divided approximately as follows, in million bushels: feed 21-1/2, seed 8, flour 9, and distilled spirits 7. Use of rye for industrial alcohol has remained low, being only about 270,000 bushels in 1941-42.

Total domestic rye disappearance in 1942-43 may not be greatly different from that in 1941-42. With exports at low levels and supplies very large, a record carry-over is expected at the end of the current marketing year. More rye probably will be used for feed, because of increased demand, but the use by distilleries will be smaller. Little change is expected in the quantities used for food and seed.

WHERE TO FIND STATISTICS ON THE WHEAT SITUATION NOT INCLUDED IN THIS ISSUE: 1/

	Page	Issue		
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Acreage seeded by regions, 1919-39	13	Sept.	1941	WS-59
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Imports into the United States, 1923-40	23	Aug.	1941	WS-58
Sales and income, and prices				
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Average price per bushel received by farmers and parity prices, 1909-41	11	June	1942	WS-67
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Percentage monthly sales, average 1929-38, and 1928-40	18	Dec.	1941	WS-62
THE WORLD WHEAT SITUATION				
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Averages 1924-28, 1928-37, annual 1914, 1937	6	Sept.	1939	WS-35
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Production of wheat, world and specified countries, 1909-40	18	June	1941	WS-56
Acreage, yield, and production, world, excluding the U.S.S.R. and China	19	Mar.	1942	WS-65
Production by countries, 1938-41	13	Dec.	1941	WS-62
Stocks, July 1				
1922-40	15	Mar.	1941	WS-53
International trade				
International trade in wheat including flour, calendar years, 1937-40	20	Mar.	1942	WS-65
International trade in wheat flour, calendar years, 1938-40	21	Mar.	1942	WS-65

1/ Selected tables used most frequently.

STATISTICS ON THE RYE SITUATION IN "THE WHEAT SITUATION" JUNE 1942

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